

2002 SUPPLEMENTAL BUDGET: PROGRAMMING DECISIONS

BRIEFING PAPER

Prepared for the April 2002

TRANSPORTATION COMMISSION MEETING

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PURPOSE:

Brief the Transportation Commission on the 2002 Supplemental Budget and the impact to the department's program expectations for the remainder of the 2001-03 biennium.

ACTION/OUTCOME:

Review and discuss the budget. Action is required regarding programming choices to approve revised spending plans for both the highway preservation and improvement programs.

BACKGROUND:

The 2002 Supplemental Budget for operating and capital programs increased the department's 2001-03 appropriated funds by \$706.7 million to \$3.4 billion. The increase was essentially to fund one project, the Tacoma Narrows Bridge, which requires approximately \$800 million in additional funds. Funding for other capital projects was reduced by approximately \$100 million from the expenditure level at the time the original biennium budget was passed. Spending plans have been refined to ensure that spending limits are respected and that the plans reflect the best use of public resources consistent with the legislative direction. The Secretary of Transportation's proposals in these respects are presented in this paper.

Many important topics are touched upon in this paper, but the most extensive discussion is expected to focus on programming decisions in the highway improvement and the preservation programs (see information beginning on page 24).

DISCUSSION:

The Department of Transportation's 2001-03 available funding is detailed below for the operating and capital programs. Activities and funded levels are specified for the original 2001-03 Budget as enacted during the 2001 Legislative Session with adjustments for the 2002 Supplemental Budget. The total 2001-03 spending plan is compared to actual expenditures through March 31, 2002, identifying funds available to support activities for the remainder of the biennium. In addition to requirements funded specifically in the supplemental budget, various legislative proviso commitments are discussed with the Commission and the department must monitor and report as part of its biennial obligation to the legislature.

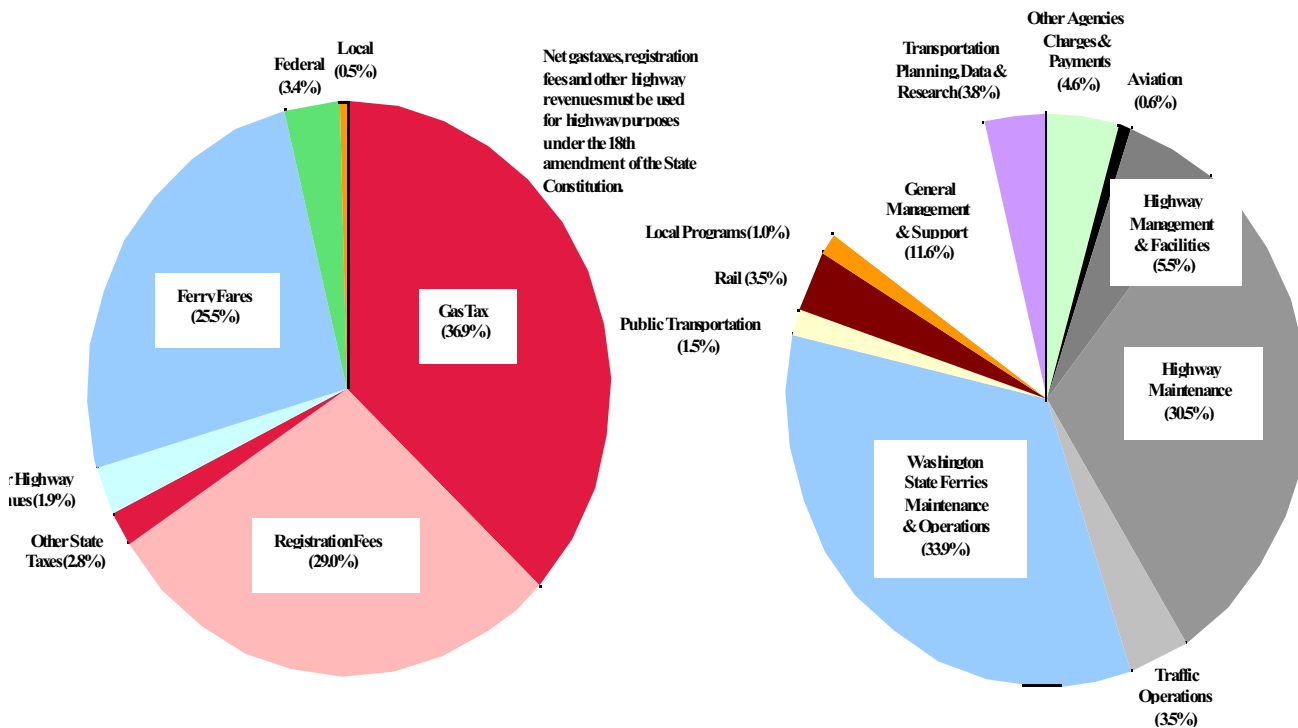
OPERATING PROGRAMS OVERVIEW

The 2002 Supplemental Budget included minor reductions to the Operating Program. The original budget was reduced \$1.0 million to \$921.5 million. The adjustments are consistent with the Commission's Supplemental Budget proposal and are expected to be managed with minimal program impact.

The most significant 2002 Supplemental Budget changes are:

- Fuel decreases and increased insurance and emergency management funding for ferries.
- A technical adjustment to reflect legislation that did not pass during the 2001 session, adopting cost-benefit analysis for transportation planning (2ESSB 5749) for Transportation Planning, Data, and Research.
- Increased funding for tort liability premiums, indemnity, and tort defense.

OPERATING FUND SOURCES AND USES



OPERATING BUDGET

Dollars in millions

	2001-03 Original Enacted Budget	2002 Supplemental Changes	2001-2003 Budget Now In Force
Highways			
Highway Maintenance and Operations	280.0	-	280.0
Traffic Operations	32.5	-	32.5
Total Highways	312.5	-	312.5
Ferries			
Total Ferries Maintenance and Operations	321.7	(10.4)	311.3
Public Transportation and Rail			
Public Transportation	14.4	(0.2)	14.2
Rail	32.7	0.3	33.0
Total Public Transportation and Rail	47.1	0.1	47.2
Aviation			
Total Aviation	5.0	0.5	5.5
Transportation Partnerships			
Transportation Economic Partnerships	1.2	0.2	1.4
Highways and Local Programs	9.0	0.1	9.1
Total Transportation Partnerships	10.2	0.3	10.5
Support Services			
Highway Management and Facilities	51.0	-	51.0
Transportation Management and Support	106.9	0.5	107.4
Transportation Planning, Data, and Research	40.0	(6.7)	33.3
Charges from Other Agencies	28.1	14.7	42.8
Total Support Services	226.0	8.5	234.5
Total Operating 2001-2003 Enacted Budget	922.5	(1.0)	921.5

HIGHWAY MAINTENANCE AND OPERATIONS

2001 Enacted Budget

The Highway Maintenance and Operations program includes maintenance of over 17,900 lane miles of state highways, ten major mountain passes, 45 rest areas, 3,291 bridges and 850 state-owned and operated traffic signal systems serving both general purpose and HOV lane systems.

• Snow & Ice - \$53M	• Object Removal \$7M
• Mowing - \$18M	Culverts, Ditches, & Catch Basins - \$25M
• Signals & Lights - \$47M	• Bridge Repairs & Operations - 22M
• Rest Areas - \$8M	• Signs, Guardrails, etc. - \$13M
• Litter & Sweeping - \$15M	• Maintenance Mgt, Training & Support - \$40M
• Pavement Patching - \$32M	

2002 Supplemental Changes

The Supplemental Budget did not change the funding level.

2001-03 Funding

2001 Enacted Budget	280.0
2001 Compensation Adjustments	4.4
Unanticipated Receipts	0.4
Total Available Funding	284.8
Expenditures thru March 2002	(101.6)
Remaining Available Funding	183.2

Other Legislative Instructions

Other legislative requirements, included in both the original (3ESSB 5327) and the supplemental budget (ESSHB 2451), are as follows:

- If any of the maintenance appropriation is required to fund maintenance work resulting from major disasters not covered by federal emergency funds such as fire, flooding, and major slides, the department will request supplemental appropriations to restore state funding for ongoing maintenance activities.
- If the department receives federal monies for emergency snow and ice removal, the department shall place an equal amount of the motor vehicle account-state into unallotted status.

Program Status and Objectives

Highway maintenance and operations expenditures are within the budgeted level.

The department is striving to meet Maintenance Accountability Process targets with increased maintenance demands. The department will be challenged to accommodate higher costs to maintain many highway segments as a result of the decrease in highway construction project spending. This relates to highway segments that had been targeted for preservation and/or improvement projects and, therefore, funding for maintenance activities was reduced on those segments. The Maintenance Program is expected to be able to manage the situation through this year but the issue will grow to be more significant in the 2003-05 biennium.

TRAFFIC OPERATIONS

2001 Enacted Budget

Traffic Operations manages programs involving traffic control devices and regulatory tools to optimize state system safety and capacity. Services include freeway and tunnel operations and incident response for traffic incidents and emergency services, including bridge and Tow Truck operations and roving service patrols.

2002 Supplemental Changes

The Supplemental Budget reduces funding for the Motorist Information Panel Program. 2SSB 5949 instructed that the program of erecting and maintaining motorist signs should be placed in the hands of a private contractor with minimal impact to the department.

2001-03 Funding

2001 Enacted Budget	32.5
2001 Compensation Adjustments	0.7
2002 Supplemental Changes	(0.5)
Total Available Funding	32.7
Expenditures thru March 2002	(11.3)
Remaining Available Funding	21.4

Other Legislative Instructions

Up to \$3 million for the incident response program may be expended from the highway preservation program.

Program Status and Objectives

Traffic Operations expenditures are within the budgeted level.

The program will achieve the expanded elements of the incident response program by July 3rd. The program must select a contractor to operate the MIPP beginning July 1. Also, the program will be attempting to increase its level of support for the HERO program, an educational effort to inform HOV lane violators of the purpose, rules, and value of the lanes.

WASHINGTON STATE FERRIES MAINTENANCE AND OPERATIONS

2001 Enacted Budget

The maintenance and operation of the Washington State Ferry system includes 29 vessels with in-service ages ranging from 3 years to 74 years, as well as 20 terminal facilities and the Eagle Harbor maintenance facility. The ferry system averages 480 departures and 73,000 passengers per day. Average summer peak ridership is close to 85,000 passengers per day.

2002 Supplemental Changes

The Supplemental Budget includes an additional funding for increased insurance premium costs and for emergency management. Funding was reduced to reflect lower fuel cost projections for the 2001-03 biennium.

2001-03 Funding

2001 Enacted Budget	321.7
2001 Compensation Adjustments	5.3
2002 Supplemental Changes	(10.4)
Total Available Funding	316.6
Expenditures thru March 2002	(114.9)
Remaining Available Funding	201.7

Other Legislative Instructions

The department issued a request for information from entities interested in purchasing advertising on board Washington State ferry vessels and evaluated the proposals. A report to the legislature's transportation committees was submitted on the potential for revenue from different types of advertising. The department is continuing to pursue advertising opportunities.

Program Status and Objectives

The Ferry maintenance operating activities costs are within budgeted levels.

Significant financial issues for the remainder of the biennium include addressing additional risk issues such as increased insurance rates and additional safety regulation requirements relating to the September 11 terrorist attacks; and maintaining ridership while increasing fares. Another issue is payment for the \$4.5 million Washington State Ferry Rich Passage settlement, of which only an estimated \$3 million is funded from insurance.

PUBLIC TRANSPORTATION

2001 Enacted Budget

Public Transportation is responsible for developing, implementing, and managing strategies, initiatives, and policies that support alternatives to the single occupant vehicle. The program provides financial and technical assistance to local jurisdictions and public transportation agencies; and manages the state's commute trip reduction program and the Agency Council on Coordinated Transportation (ACCT).

2002 Supplemental Changes

The Supplemental Budget reduces funding for the Commute Trip Reduction (CTR) advertising campaign, leaving only the minimum state funding necessary to secure planned federal funds.

2001-03 Funding

2001 Enacted Budget	14.4
2001 Compensation Adjustments	0.1
2002 Supplemental Changes	(0.2)
Fiduciary Fund/Oil Rebate Funds	11.6
Total Available Funding	25.9
Expenditures thru March 2002	(8.9)
Remaining Available Funding	17.0

Other Legislative Instructions

The department, contingent on passage of Referendum 51, has been charged with assisting with implementation of CTR tax credit for employers, including adopting rules, tracking tax credits, and advising the state treasurer for reporting purposes. Activity in this area will not be undertaken until the outcome of Referendum 51 is known.

Program Status and Objectives

Grant award activities are ahead of schedule for Federal Transit Authority and Agency Council on Coordinated Transportation (ACCT). Transportation Demand Management enhancements are also ahead of schedule. Other activities expenditures are within the budgeted level.

It will be a challenge to maintain as many benefits as possible from the CTR public education campaign, "Relax there is more than one way to get there, " with the \$200,000 funding reduction which limits the ability to purchase advertising and develop marketing partnerships. Another financial/program challenge will be to develop new strategies to meet ACCT commitments in light of reduced opportunity for outside support resulting from budget reductions for the Department of Social and Health Services.

RAIL

2001 Enacted Budget

The Rail Program provides support, administration, coordination and planning for passenger rail and freight rail, including \$23 million operating subsidies for AMTRAK Cascades Service.

2002 Supplemental Changes

The Supplemental Budget increased funding by \$900,000 for the four state sponsored passenger rail service runs and decreased funding by \$600,000 for AMTRAK advertising (net increase of \$300,000).

2001-03 Funding

2001 Enacted Budget	32.7
2002 Supplemental Changes	0.3
Grain Train	0.1
Total Available Funding	33.1
Expenditures thru March 2002	(10.5)
Remaining Available Funding	22.6

Program Status and Objectives

Rail operating expenditures are within the budgeted level.

This will be a significant challenge to modify the passenger rail marketing program to maintain as much of its effectiveness as possible despite reduced funding. Strategies for the state rail programs also must be kept under constant review in order to be able to respond to possible reductions in future Amtrak *Cascade* service in Washington.

AVIATION

2001 Enacted Budget

Aviation provides the following: management and planning for search and rescue operations, technical and financial aid to local airports, pilot and aircraft registration, management of 15 state owned or operated airports, and federal and state aviation regulatory compliance assistance to local governments and the public. State grants and technical assistance are provided to municipalities for capital projects of local public use airports. Projects include runway paving, resurfacing, and crack sealing.

2002 Supplemental Changes

The Supplemental Budget provides additional funding for airport assistance grants and Federal Aviation Administration planning grants.

2001-03 Funding

2001 Enacted Budget	5.0
2002 Supplemental Changes	0.5
Unanticipated Receipt	0.2
Total Available Funding	5.7
Expenditures thru March 2002	(1.9)
Remaining Available Funding	3.8

Other Legislative Instructions

Joint Legislative Audit and Review Committee shall conduct a perform audit to evaluate the advantages and disadvantages of creating a separate Washington State Department of Aviation. The report is due December 1, 2002.

Program Status and Objectives

Aviation expenditures are within the budgeted level. Search and Rescue costs have been less than anticipated to date but, with incidents unpredictable, may change at any time.

The program expects to complete distribution of all planned grant awards and to meet program goals for training pilot and aircraft mechanics. Aviation is also relocating from Boeing Field to Arlington; and prioritizing projects and issuing grants for the additional supplemental budget funding.

TRANSPORTATION ECONOMIC PARTNERSHIPS

2001 Enacted Budget

Transportation Economic Partnerships provides management support for development of partnerships with private firms to develop and operate needed transportation facilities and activities.

2002 Supplemental Changes

The Supplemental Budget provides additional funding for a study of private-public partnerships in transportation.

2001-03 Funding

2001 Enacted Budget	1.2
2002 Supplemental Changes	0.2
Total Available Funding	1.4
Expenditures thru March 2002	(0.3)
Remaining Available Funding	1.1

Other Legislative Instructions

The department is required to provide staff support to the legislative oversight committee that will study public-private partnerships in transportation and report to the legislature by December 1, 2003.

Program Status and Objectives

Expenditures are within the budgeted level.

With the Tacoma Narrows Bridge Project in progress, the department is seeking other opportunities for private-public initiatives to improve the transportation system. As noted above the department is required to provide support to a Legislative oversight committee that is required to produce a comprehensive study of private-public partnerships by December 2003.

HIGHWAYS AND LOCAL PROGRAMS

2001 Enacted Budget

Highways and Local Programs administers state and federal funded grant programs. The program exercises local oversight delegated by FHWA and also provides educational and technical support to local agencies, tribal governments, and other transportation partners to help them succeed in meeting their transportation goals. Additionally, this program makes payments to Wahkiakum County for the deficit in ferry operating and maintenance costs.

2002 Supplemental Changes

The Supplemental Budget increases the Wahkiakum Ferry operating subsidy to match actual costs.

2001-03 Funding

2001 Enacted Budget	9.0
2001 Compensation Adjustments	0.2
2002 Supplemental Changes	0.1
Total Available Funding	9.3
Expenditures thru March 2002	(2.8)
Remaining Available Funding	6.5

Other Legislative Instructions

Other legislative requirements included in the original and supplemental budget are as follows:

- o Regional transportation governance - Provide funds to the Whatcom County Council to develop, implement, and report on a model.
- o Concurrence issues - Study concurrence issues in urban areas marked by multiple contiguous jurisdictions, lead by the City of Bellevue.
- o Seattle Sea Wall - Study alternatives for repairing or replacing the seawall with matching contribution from the City of Seattle.
- o One-Stop funding - Establish and staff a joint task force that will develop recommendations for a "one-stop funding center" for state funded local grant programs. The report was submitted to the legislature on November 30, 2001.

Program Status and Objectives

Expenditures are within the budgeted level.

With reduced local government resources, the department is receiving more requests for assistance in meeting ESA and storm water requirements, consultant and right of way services, etc.

HIGHWAY MANAGEMENT AND FACILITIES

2001 Enacted Budget

Highway Management and Facilities provides management support for highway construction and maintenance, as well as facilities maintenance and operating costs, such as preventive and corrective maintenance of the department's 650 capital facilities buildings statewide, including 133 separate maintenance facilities and the six regional support service center complexes. Funding is also provided to implement Environment Streamlining Bill.

2002 Supplemental Changes

The Supplemental Budget did not change the funding level.

2001-03 Funding

2001 Enacted Budget	51.0
2001 Compensation Adjustments	0.7
Total Available Funding	51.7
Expenditures thru March 2002	(18.7)
Remaining Available Funding	33.0

Program Status and Objectives

Expenditures are within the budgeted level

TRANSPORTATION (GENERAL) MANAGEMENT AND SUPPORT

2001 Enacted Budget

The management and support service functions include Executive Management, Human Resources, Audit, Equal Opportunity, Communications, Governmental Liaison, Budget, Accounting, Information Technology, Financial Planning, Risk Management, Administrative Services, and Regional Management Support.

2002 Supplemental Changes

The Supplemental Budget provides funding for court costs for the department's involvement as a defendant in a federal lawsuit involving highway culverts as related to fish habitat issues.

2001-03 Funding

2001 Enacted Budget	106.9
2001 Compensation Adjustments	2.3
2002 Supplemental Changes	0.5
Unanticipated Receipt	0.2
Total Available Funding	109.9
Expenditures thru March 2002	(35.7)
Remaining Available Funding	74.2

Other Legislative Instructions

WSDOT has been instructed to work with the Department of Natural Resources, the Military Department, and the Washington State Patrol in coordination with the State Interoperability Executive Committee to develop and implement a Geographical Information System database to illustrate locations and specification of statewide radio and microwave towers.

Program Status and Objectives

Expenditures for the majority of activities are within the budgeted level. New information technology projects are behind schedule, but projects are still expected to be completed within the biennium.

There are a number of important activities that will have to be accommodated in the remaining spending plan that were not fully anticipated when the budget was first enacted. These include the significant level of support for capital finance analysis and activities relating to newly proposed or enacted programs initiatives, including the Tacoma Narrows Bridge, the so-called regional bill planning exercise, and the need for scenario planning to prepare for either the passage or the defeat of Referendum 51. Many of the new accountability initiatives of the department must be support within these program resources, including support for "efficiency" provisions contained in various recent enactments.

TRANSPORTATION PLANNING, DATA, AND RESEARCH

2001 Enacted Budget

The planning, data, and research for department activities include coordination of long-range plan development, working with local jurisdictions and administering pass-through planning funds. Information about traffic volumes, vehicle speeds, and traffic accident frequencies is collected and analyzed. Research activities support highway construction, maintenance and safety along with public transportation, pedestrian and bicycle transportation system needs.

2002 Supplemental Changes

The Supplemental Budget eliminates funding for legislation that did not pass during the 2001 session, adopting cost-benefit analysis for transportation planning (2ESSB 5749).

2001-03 Funding

2001 Enacted Budget	40.0
2001 Compensation Adjustments	0.6
2002 Supplemental Changes	(6.7)
Unanticipated Receipt	0.7
Fiduciary Fund/Oil Rebate Funds	9.6
Total Available Funding	44.2
Expenditures thru March 2002	(14.8)
Remaining Available Funding	29.4

Other Legislative Instructions

DOT is required to collect and enter collision reports into the statewide collision reporting system for local roadway planning and safety analysis; and work on freight mobility issues with the transportation research center to conduct an origin and destination study to determine the impacts of trade-related truck traffic and other truck impacts on the highway system.

If Referendum 51 passes, this budget area will be challenged to support many new activities under the Governor's Efficiency and Reform Bill. Indeed, many of these activities, or related issues, are already being absorbed into the program budget to produce the departmental Gray Notebook and other efforts at performance measurement, accountability and improved reporting to the public.

Program Status and Objectives

Expenditures are within the budgeted level.

CHARGES FROM OTHER AGENCIES

2001 Enacted Budget

WSDOT's allocated share of statewide general overhead activities includes the Office of the State Auditor, the Department of Personnel, the Department of General Administration, the Secretary of State, and the Office of Minority and Women's Business Enterprises. A major component (about \$18M) is the WSDOT contribution to the State's self-insurance pool.

2002 Supplemental Changes

The Supplemental Budget provides funding for increased costs for tort liability premiums, indemnity, and tort defense.

2001-03 Funding

2001 Enacted Budget	28.1
2002 Supplemental Changes	14.7
Total Available Funding	42.8
Expenditures thru March 2002	(21.3)
Remaining Available Funding	21.5

Program Status and Objectives

Self-Insurance, Risk Management expenditures exceeded the original budget and will be aligned once the additional 2002 Supplemental Budget funding is allotted.

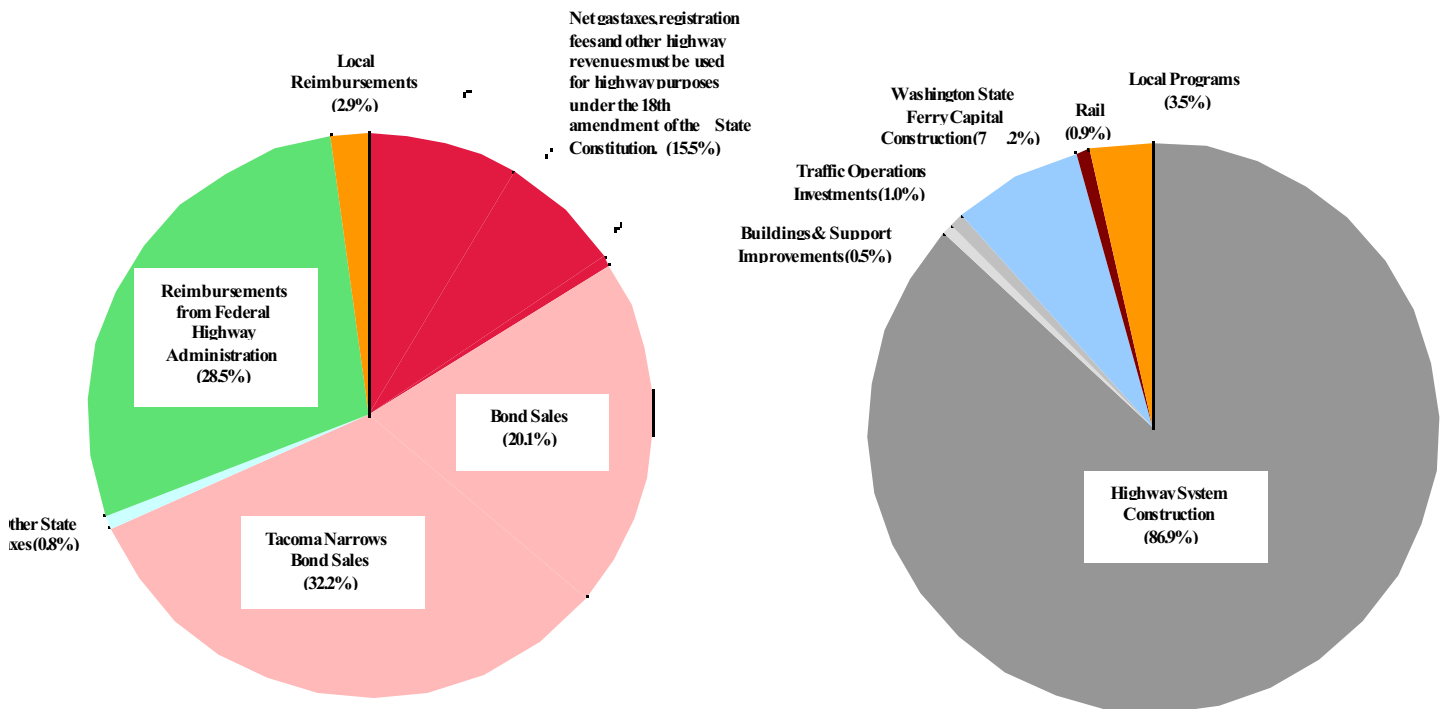
The most significant objective is to ensure mandates and needs are met within funding constraints. Payment for the \$4.5 million Washington State Ferry Rich Passage settlement, estimated to be funded only \$3 million from insurance coverage, is also an issue.

CAPITAL PROGRAMS OVERVIEW

The 2002 Supplemental Budget increased the appropriated funds for the Capital Program by \$707.7 million to \$2.5 billion. The increase was essentially to fund one project, the Tacoma Narrows Bridge, which requires approximately \$800 million in additional funds (bonds). Funding for other capital projects is reduced approximately \$100 million as detailed below.

Specific recommendations and options will be discussed.

CAPITAL FUND SOURCES AND USES



CAPITAL BUDGET

Dollars in millions

	2001-03 Original Enacted Budget	2002 Supplemental Changes	2001-2003 Budget Now In Force
Highways			
Plant Construction	13.0	-	13.0
Highway Improvements	799.2	(59.6)	739.6
Tacoma Narrows Bridge	47.7	798.6	846.3
Highway Preservation	578.2	(20.5)	557.7
Traffic Operations	24.2	-	24.2
Total Highways	1462.3	718.5	2180.8
Ferries			
Total Ferries Construction	187.4	(10.0)	177.4
Rail			
Total Rail	21.9	(0.5)	21.4
Transportation Partnerships			
Transportation Economic Partnerships	1.4	-	1.4
Highways and Local Programs	93.9	(0.3)	93.6
Total Transportation Partnerships	95.3	(0.3)	95.0
Total Capital 2001-2003 Enacted Budget	1,766.9	707.7	2,474.6

**Transportation Commission April 12
WSDOT Proposed “I” and “P” Program Budget Reductions**

What are we doing to the Preservation Program Budget?

Additional funding is being programmed for three projects in the preservation program, and several other projects are being deferred or reduced to balance the program.

Why Do We Need to Reduce the Improvements Program Budget?

The 2001 Legislature appropriated a Highway Construction budget for WSDOT. We built a program anticipating this amount, and published a Capital Improvement and Preservation Program showing projects that would be underway using this money. However, \$70 million was not transferred into the Multimodal Fund as anticipated.

The following events have occurred to get us to the amount that we are now short:

The 2002 supplemental budget reduced the deficit to \$45.7 million, which is the basis for the current reduction effort.	\$45.7M
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On top of that shortfall, the department anticipates that \$26M in cost increases will occur on projects already under construction.	\$26.0M
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Finally, WSDOT’s Improvement Projects are “overprogrammed” by \$4.6M. This overprogramming is very much like overbooking of airline flights – we know that in the normal course of delivering a biennial program, there will be some unforeseen events that limit our ability to deliver each and every project as planned. In order to compensate for that, so that we can expend the funds appropriated, we get ready to deliver additional projects. However, at this point in the biennium, with very little money left for new starts, we feel we must reduce that overprogramming.	\$4.6M
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Total Required Program Reduction	<hr/> \$76.3M
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What considerations did we use in developing the list of reductions?

- Attempt to fund current law portions of the 80 projects named in ESSB 6347
- Fund needed increases on Alaskan Way (\$15 million), Translake (\$2 million).
- Fund incident response (\$3 million)
- Preserve capacity to facilitate delivery of new law
- Consider equity between WSDOT regions

**Changing Programmed Spending to Meet Project Need
Highways Preservation Program, April 5, 2002**

Amount Programmed for Expenditure	\$20.0
Amount Available for Expenditure	-\$20.0
Net Program Change	\$0.0

	Current Expenditure Plan	Proposed Revisions	Revised Expenditure Plan
<i>Project-Specific Proposed Additional Expenditures*</i>			
Alaskan Way Viaduct	2.9	15.0	17.9
SR 520 Translake	0.0	2.0	2.0
Incident Response	0.0	3.0	3.0
Subtotal	\$2.9	\$20.0	\$22.9
<i>Proposed Reductions to Meet Need Above (projects in program not reduced are not shown)</i>			
Roadway Construction	6.6		6.6
Roadway Construction	109.4	-8.8	100.6
Structures PE and RW	3.6		3.6
Structures Construction	48.6	-6.9	41.7
Other Facilities PE and RW	5.0		5.0
Other Facilities Construction	37.8	-4.3	33.5
Subtotal	\$211.0	-\$20.0	\$191.0
Total	\$213.9	\$0.0	\$213.9

*The 2002 Legislative Supplemental Budget expressly authorized the Transportation Commission to establish appropriate levels of additional funding for Alaskan Way Viaduct and Incident Response within the Preservation program. Staff has recommended that the Commission should authorize an additional \$2 million for the Translake project, using it's normal programming responsibility.

Preservation Program
Proposed Current Law Projects to Be Deferred or Reduced
(dollars in thousands)

					Amount Reduced		New 01-03 Biennium Plan
SR		01-03 Current Start	01-03 Revised Start	01-03 Current Plan	State		
Roadway Construction							
5	I-5/James St Vic to Union St Vic	12/02	03-05 Budget Decision	203	203		
5	I-5/Union St to NE 103Rd Vic	12/02	03-05 Budget Decision	66	66		
169	SR 169/Newaukum Creek Dr to 264th Ave SE	10/02	03-05 Budget Decision	114	114		
529	SR 529/Snohomish River Bridge to SR 528	3/03	03-05 Budget Decision	255	255		
	Unprogramed Funds			6,170	6,170		
	Updated Spending Plan			1,971	1,971		
Subtotal, Roadway Construction Projects				\$8,779	\$8,779		
Structures Construction							
99	SR 99/George Washington Bridge - Seismic	5/02	03-05 Budget Decision	3,489	3,489		
542	SR 542/Boulder Cr Bridge - Replacement	8/02	03-05 Budget Decision	811	732	79	
12	Heron Street Bridge - Seismic	9/02	03-05 Budget Decision	812	700	112	
	Unprogrammed Funds			2,000	2,000		
Subtotal, Structures Construction				\$7,112	\$6,921	\$191	
Other Facilities Construction							
12	US 12/ 8 Miles West of Yakima County Line	5/02	03-05 Budget Decision	1,145	1,145		
	Portable Weigh Stations			900	800	100	
	Weigh Station Minor Capital			200	200		
	Unprogrammed Funds			2,154	2,154		
Subtotal, Other Facilities Construction				\$4,399	\$4,299	\$100	
Total Reductions to Preservation Program				\$20,290	\$19,999	\$291	

**Matching Programmed Spending to Reduced Level of 2001-2003 Appropriations
Highways Improvement Program, April 5, 2002**

Amount Programmed for Expenditure*	\$281.6
Amount Available for Expenditure**	\$205.3
Required Program Reduction	\$76.3

	Pre-Session Expenditure Plan	Proposed Revisions	Revised Expenditure Plan
<i>Current Budget Stages of Projects Specified for Additional Referendum 51 Revenues (projects in program not reduced are not shown)</i>			
Major Projects, PE & RW Phase	41.5	-2.0	39.5
Mobility and Economic Initiatives Projects, PE & RW Phase	31.2	-11.6	19.6
Mobility and Economic Initiatives Projects, Const. Phase	20.7	-18.6	2.1
HOV Projects, PE & RW Phase	26.4	-1.5	24.9
Safety Projects, PE & RW Phase	3.0	-1.4	1.6
Safety Projects, Construction Phase			
Subtotal	\$122.8	-\$35.1	\$87.7
<i>Current Budget Stages of Other Projects***(projects in program not reduced are not shown)</i>			
Mobility, PE & RW Phase	42.8	-8.5	34.3
Mobility, Construction Phase	17.8	-12.1	5.7
Safety, PE & RW Phase	40.1	-6.6	33.5
Safety, Construction Phase	24.8	-5.3	19.5
Other Improvements Projects, PE & RW Phase	26.7	-2.7	24
Other Improvements Projects, Construction Phase	6.6	-6	0.6
Subtotal	\$158.8	-\$41.2	\$117.6
Total	\$281.6	-\$76.3	\$205.3

*The amount shown represents the Department's current spending plan, based upon appropriations and project lists from the 2001 Legislature.

** The amount shown represents the remaining appropriation that has not been spent or committed to construction contracts. It is based on 01-03 actual expenditures thru Feb 2002 and remaining planned expenditures thru June 2003 on construction contracts. This amount also assumes WSDOT will gain approval of unanticipated receipts totaling \$12.1M.

*** These projects are programmed to be designed and/or built based upon appropriations of the 2001 legislature, but are not related to the projects specified in ESSB 6347, the 2002 Legislature's New Revenue bill.

Improvement Program
Proposed Current Law Project Expenditures to Be Deferred or Reduced
(dollars in thousands)

	01-03 Current Start	01-03 Revised Start	01-03 Current Plan	Amount Reduced		New 01-03 Biennium Plan
				State	Partners	
Current Budget Stages of Projects Specified for Additional Referendum 51 Revenues						
Major Projects, PE & RW Phase						
I-405/Tukwilla to Lynwood	In Progress	Reduced Progress	11,816	1,200		10,616
SR 509/I-5 to Des Moines Way S/S 188th St.	In Progress	Reduced Progress	8,025	800		7,225
Subtotal, Major Projects, PE & RW Phase			\$19,841	\$2,000	\$0	\$17,841
Mobility and Economic Initiatives Projects, PE & RW Phase						
SR 539/Horton Road to Ten-Mile Road	In Progress	03-05 Budget Decision	4,383	2,500		1,883
Svensens Curve	In Progress	03-05 Budget Decision	169	18		151
I-5/Rush Road to Grand Mound Vicinity	In Progress	03-05 Budget Decision	1,241	500		741
SR 9/SR 522 to 228TH St SE - Widening	In Progress	03-05 Budget Decision	274	220		54
SR 9/228TH St SE to 212TH St SE	In Progress	03-05 Budget Decision	1,435	430		1,005
SR 20/Fredonia to I-5 - Widening	In Progress	03-05 Budget Decision	500	500		0
SR 24/I-82 to Keys Road	In Progress	03-05 Budget Decision	2,900	644		2,256
SR 410/214th to Ave E to 234th - Widening	Jan-2003	03-05 Budget Decision	3,698	3,100		598
SR 519/Intermodal Access Project - PH 2	In Progress	03-05 Budget Decision	3,908	1,258		2,650
SR 522/SR 9 to Snohomish R	In Progress	03-05 Budget Decision	7,278	2,380		4,898
Subtotal, Mobility and Economic Initiatives Projects, PE & RW Phase			\$25,786	\$11,550	\$0	\$14,236
Mobility and Economic Initiatives Projects, Construction Phase						
SR 9/228TH St SE to 212TH St SE	Spring 03	03-05 Budget Decision	403	403		0
SR 522/Paradise Lake Rd to Snohomish R	Fall 02	Spring 03	777	700		77
SR 527/164th St. SE to 132nd St. SE	Apr-2002	Spring 03	9,240	7,500		1,740
SR 161/234th Street to 204th Street E	Apr-2002	03-05 Budget Decision	4,589	4,589		0
SR 410/214th to Ave E to 234th - Widening	Jan-2003	03-05 Budget Decision	486	486		0
US 12/SR 124 to Walla Walla - Add Lanes	Apr-2002	Spring 03	5,252	4,970		282
Subtotal, Mobility and Economic Initiatives Projects, Construction Phase			\$20,747	\$18,648	\$0	\$2,099
HOV Projects						
I-5/Port of Tacoma Rd to King Co. Line (Right of Way)	Aug-2002	03-05 Budget Decision	444	444		0
I-5/SR 16 I/C / 38th St I/C HOV - TSMC Fiber Link (Const.)	Jul-2002	03-05 Budget Decision	1,100	1,100		0
Subtotal, HOV Projects			\$1,544	\$1,544	\$0	\$0
Safety Projects, PE & RW Phase						
SR 160/SR 16 to Longlake Road VIC	In Progress	03-05 Budget Decision	1,554	1,383		171
Subtotal, Safety Projects, PE & RW Phase			\$1,554	\$1,383	\$0	\$171
Current Budget Stages of Projects Not Specified for Additional Referendum 51 Revenues						
Mobility Projects, PE & RW Phase						
US 2/SR 522 Monroe Bypass	In Progress	03-05 Budget Decision	178	110		68
I-5/220th St SW to 44th Ave W -NB Lane	In Progress	03-05 Budget Decision	762	659		103
I-5/128th St SW (SR96) I/C Improvements	In Progress	03-05 Budget Decision	409	364		45
SR 164/Corridor Analysis	In Progress	03-05 Budget Decision	176	165		11
SR 169/196th SE/Jones Rd to 140th PI SE	In Progress	03-05 Budget Decision	40	35		5
SR 202/SR 520 to Sahalee Way -Widening	In Progress	03-05 Budget Decision	5,067	2,587		2,480
I-405/NE 44th Interchange	In Progress	03-05 Budget Decision	352	150		202
SR28/Wenatchee to I-90 - Mobility Study	In Progress	03-05 Budget Decision	100	96		4
SR3/Belfair Bypass - Study	In Progress	03-05 Budget Decision	386	120		266
SR 16/Gig Harbor -New Interchange	In Progress	03-05 Budget Decision	117	117		0
US 101/Shore Rd to Kitchen Rd - Widening	In Progress	03-05 Budget Decision	2,605	1,626		979
Hoquiam/Aberdeen Alternative Corridor	In Progress	03-05 Budget Decision	7	4		3
SR 104/Corridor Traffic Circulation	In Progress	03-05 Budget Decision	186	116		70
SR 104/SR 101 to Kingston	In Progress	03-05 Budget Decision	428	50		378
Project Definition and Summary I1	In Progress	03-05 Budget Decision	1,391	1,150		241
I-5 Lewis County I/C	In Progress	03-05 Budget Decision	3,636	727	2,909	0
SR 500 Ward Road to 162nd	Jan-2004	03-05 Budget Decision	549	365		184
I-82/Thrall Road to Manastash Ridge	Jul-2002	03-05 Budget Decision	200	20		180
Subtotal, Mobility Projects, PE & RW Phase			\$16,589	\$8,462	\$2,909	\$5,218

Improvement Program
Proposed Current Law Project Expenditures to Be Deferred or Reduced
(dollars in thousands)

	01-03 Current Start	01-03 Revised Start	01-03 Current Plan	Amount Reduced		New 01-03 Biennium Plan
				State	Partners	
Mobility Projects, Construction Phase						
SR 9/US 2 Interchange - I/C Modification	Mar-2003	03-05 Budget Decision	635	635		0
SR 18/Weyerhaeuser Way to SR 167	on-AD	03-05 Budget Decision	7,579	7,579		0
SR 99/Galer Street Vic. - Ped Overpass	Apr-2002	Spring 03	1,303	1,300		3
SR 202/SR 520 to Sahalee Way - Widening	Dec-2003	03-05 Budget Decision	12	12		0
SR 525/SR 99 TO SR 526 - Widen	Apr-2002	Fall 02	4,340	1,500		2,840
SR 532/Terry's Corner Park and Ride Lot	Oct-2002	03-05 Budget Decision	423	423		0
US 101/Crosby Blvd/Cooper Pt Rd I/C - Roadside Restore.	Mar-2003	03-05 Budget Decision	62	62		0
I-705/21st St to Portland Ave - Storm Sewer	Nov-2002	03-05 Budget Decision	604	604		0
Subtotal, Mobility Projects, Construction Phase			\$14,958	\$12,116	\$0	\$2,842

Safety Projects, PE & RW Phase						
Truck Inspection Stations			500	500		0
SR 9/Schloman Road to 256th Street E	Nov-2002	03-05 Budget Decision	1,249	100		1,149
SR 20/Sidney St. Vic to Scenic Heights	May-2002	03-05 Budget Decision	680	150		530
SR 20/Monkey Hill Rd to Troxell Rd	Apr-2002	03-05 Budget Decision	572	320		252
SR 20/Northgate Drive to Banta Road	Apr-2002	03-05 Budget Decision	710	300		410
SR 20/Troxell Rd to Deception Pass Vic	Jul-2002	03-05 Budget Decision	868	100		768
SR 20/Ducken Road to Rosario Road	Jul-2002	03-05 Budget Decision	435	30		405
SR 20/Quiet Cove Rd Vic to SR 20 Spur	May-2002	03-05 Budget Decision	1,452	1,100		352
SR 20/Sharpes Corner Vic to SR 536 Vic	In Progress	03-05 Budget Decision	1,564	1,200		364
US 2/Wenatchee Cascade Ave. - Signal	In Progress	03-05 Budget Decision	1,180	20		1,160
US 2/Dryden Signal	In Progress	03-05 Budget Decision	60	54		6
SR 28/East Wenatchee 31st to Hadley	In Progress	03-05 Budget Decision	422	147		275
SR 28/Soap Lake Area - Safety Improvements	Feb-2003	03-05 Budget Decision	31	31		0
I-90/Moses Lake West - Safety Improvements	In Progress	03-05 Budget Decision	39	37		2
SR 262/Potholes State Park - Hiking Path	Jun-2003	03-05 Budget Decision	12	12		0
Project Definition and Summary - I2 North Central Region	In Progress	03-05 Budget Decision	345	40		305
Development Review - North Central Region	In Progress	03-05 Budget Decision	234	20		214
SR 507/ VIC East Gate Rd to 208th St E.	Nov-2002	03-05 Budget Decision	140	42		98
I-5/I-205 to N. Fork Lewis River Bridge	Jul-2005	03-05 Budget Decision	3	3		0
SR 6/Chelalis River to Goff Road	Mar-2002	03-05 Budget Decision	425	60		365
US 12/Jackson Highway to Mary's Corner	In Progress	03-05 Budget Decision	149	95		54
US 97/Kushi Creek - Risk Mitigation	Apr-2004	03-05 Budget Decision	70	70		0
US 101/Sandridge Rd. - Safety Improvements	Jan-2004	03-05 Budget Decision	87	87		0
US 101/SR 103 - Intersection Improvements	Jan-2004	03-05 Budget Decision	98	98		0
SR 103/16th St - Intersection Improvements	Jan-2004	03-05 Budget Decision	95	95		0
SR 500/Thurston Way - Interchange	In Progress	03-05 Budget Decision	130	30		100
SR 500/124th Intersection - Stage 2	Jan-2004	03-05 Budget Decision	557	503		54
SR 501/19th Ave. - Signal	Jan-2004	03-05 Budget Decision	178	77		101
SR 502/10th Ave to 72nd Ave. - Safety	Jul-2005	03-05 Budget Decision	190	35		155
SR 503/SR 502 to Cowlitz County Line	Future Biennium	03-05 Budget Decision	297	297		0
Skookumchuck R. to Lowery Lane	Apr-2003	03-05 Budget Decision	674	534		140
SR 290/Fancher Rd to Sullivan Rd -Widen	In Progress	03-05 Budget Decision	1,578	361		1,217
SR 291/Nine Mile Rd Safety Improvements		03-05 Budget Decision	315	100		215
Subtotal, Safety Projects, PE & RW Phase			\$15,339	\$6,648	\$0	\$8,691

Safety Projects, Construction Phase						
SR 161/35th Ave SE VIC to SR 512 EB Ramp	Apr-2003	03-05 Budget Decision	4	4		0
SR 303/Dawn Road VIC to SR 3 - Plant Establishment	Apr-2003	03-05 Budget Decision	30	30		0
SR 512/EB Off-Ramp to Pacific Ave.	Apr-2002	03-05 Budget Decision	1,353	1,326	27	0
Truck Inspection Stations	Jul-2002	03-05 Budget Decision	1,500	1,500		0
US 2/5th Street - Signalization	Aug-2002	03-05 Budget Decision	218	90	128	0
I-5/Ramps at Michigan-Corson/Albro/Swift	Nov-2002	03-05 Budget Decision	115	115		0
SR 20/Oak Harbor NCL to Frostad Road	Jan-2003	03-05 Budget Decision	222	222		0
SR 164/SE 368th Place & 158th Avenue SE	Jan-2003	03-05 Budget Decision	108	108		0
Jct Preston-Fall City Road & Jct SR 203	Jan-2003	03-05 Budget Decision	150	150		0
SR 542/Scenic Viewpoint to Excelsior Trail	Jan-2003	03-05 Budget Decision	156	156		0
Adams Road - Left Turn Lanes	Oct-2002	03-05 Budget Decision	171	171		0
Quincy East - Left Turn Lanes	Oct-2002	03-05 Budget Decision	414	414		0

Improvement Program
Proposed Current Law Project Expenditures to Be Deferred or Reduced
(dollars in thousands)

	01-03 Current Start	01-03 Revised Start	01-03 Current Plan	Amount Reduced		New 01-03 Biennium Plan
				State	Partners	
I-90/SR 26 Interchange - Ramp Improvements	Apr-2003	03-05 Budget Decision	440	440		0
SR 500/Thurston Way - Interchange - Roadside Restore	Jun-2002	03-05 Budget Decision	420	420		0
SR 24/Keys Road Intersection		03-05 Budget Decision	50	50		0
I-90/US 195 to Pines ITS		03-05 Budget Decision	2,055	192	1,863	0
SR 290/Helena Street-add Turn Lane		03-05 Budget Decision	24	24		0
SR 290/Fancher Rd to Sullivan Rd-Widen - ITS		03-05 Budget Decision	209	176	33	0
Subtotal, Safety Projects, Construction Phase			\$7,639	\$5,589	\$2,051	\$0
Other Improvements Projects, PE & RW Phase						
SR 20/Winthrop Area - Bike Path	In Progress	03-05 Budget Decision	33	33		0
Project Definition and Summary	In Progress	Reduced	363	276		87
US 101/Washington Costal Corridor	In Progress	03-05 Budget Decision	210	170		40
SR3/ 305 Interchange Vicinity - Access		03-05 Budget Decision	93	47		46
I-5/Woodland Creed - Stormwater Outfall	Apr-2002	03-05 Budget Decision	89	89		0
SR 7/Elbe - Restroom Facilities	In Progress	03-05 Budget Decision	158	115		43
US 101/Northeast Peninsula - Rest Area	In Progress	03-05 Budget Decision	70	24		46
SR 502/I-5 to 10th Ave./219th Study	In Progress	03-05 Budget Decision	1,070	665		405
I-82/Valley Mall Blvd I/C Improvements	Jul-2002	03-05 Budget Decision	20	20		0
SR 241/Rattlesnake Hills to Jct. SR 24	In Progress	03-05 Budget Decision	317	190		127
SR 31 Corridor Management Plan	In Progress	03-05 Budget Decision	4	4		0
SR 20/Colville HS to Narcisse Road	In Progress	03-05 Budget Decision	49	18		32
I-90 Spokane Stormwater BMP		03-05 Budget Decision	276	110		166
SR 231/SR 292 to US 395-All Weather	In Progress	03-05 Budget Decision	273	114		160
Environmental Policy Implementation	In Progress	Reduced	12,700	846		11,855
Subtotal, Other Improvements, PE & RW Phase			\$15,725	\$2,718	\$0	\$13,007
Other Improvements Projects, Construction Phase						
I-90/Tibbetts Creek Fish Passage	Oct-2002	03-05 Budget Decision	113	113		0
SR 3/305 Interchange Vicinity - Access	May-2002	03-05 Budget Decision	723	405	318	0
SR 7/Elbe - Restroom Facilities	Jan-2003	03-05 Budget Decision	488	488		0
US 101/Northeast Peninsula - Rest Area	Jun-2003	03-05 Budget Decision	12	12		0
I-82 TO SR 397 Intertie	Apr-2002	03-05 Budget Decision	4,995	4,995		0
Subtotal, Other Improvements Projects, Construction Phase			\$6,331	\$6,013	\$318	\$0
Total Reductions to Improvements Program			\$146,053	\$76,671	\$5,278	\$64,104

PLANT CONSTRUCTION (BUILDINGS AND OTHER SUPPORT FACILITIES IMPROVEMENTS)

2001 Enacted Budget

Plant Construction includes capital improvements to the Department's buildings and other facilities.

100% State

2002 Supplemental Changes

The Supplemental Budget did not change the funding level.

2001-03 Funding

2001 Enacted Budget	13.0
Fiduciary Fund	0.3
Total Available Funding	13.3
Expenditures thru March 2002	(2.9)
Remaining Available Funding	10.4

Program Status and Objectives

Capital facilities projects are on schedule and within the budget. Seven major projects were scheduled and funded during 2001-03. Two of these projects, the Kelso Office Consolidation and Union Gap Central Sign Shop, are completed as planned and within the budgeted amount. Progress on other projects, as planned, is scheduled to continue next biennium.

Providing adequate workplace facilities is a significant challenge with limited capital facility funding. Delays in needed projects result in costly operating expenditures and less efficient workplaces. Strategies may need modifying to replace or renovate facilities, increasing "short term rehabilitation fixes" which is less beneficial than replacing obsolete facilities.

TRAFFIC OPERATIONS

2001 Enacted Budget

Traffic Operations' projects improve commercial vehicle operations, traveler information, and improved safety and congestion relief by applying advance technology to transportation. Current major projects include traveler information system investments; commercial vehicle information systems and network (CVISN); commercial vehicle operations investments; and federal safety demonstration projects.

31.1% State

68.9% Federal

2002 Supplemental Changes

The Supplemental Budget did not change the funding level.

2001-03 Funding

2001 Enacted Budget	24.2
Total Available Funding	24.2
Expenditures thru March 2002	(2.5)
Remaining Available Funding	21.7

Other Legislative Instructions

State-matching funds are provided for federally selected competitive grant or congressional earmark projects other than commercial vehicle information system and network (CVISN) and required to be placed in reserve status until federal funds are secured.

Program Status and Objectives

There have been delays in projects; however, all planned projects are expected to be completed within the biennium. Projects include 26 information technology projects, including the road and weather information system (RWIS) and two Commercial Vehicle Information System projects in coordination with the Washington State Patrol.

The department is also working to ensure that funds are available to match federal funding for fourteen new information technology system projects.

RAIL

2001 Enacted Budget

State investment in the capital components of the passenger rail program includes track improvements and acquisition of passenger train equipment. This program also provides capital grants for light density freight rail systems and the Washington Fruit Express.

56.1% State

43.9% Federal

2002 Supplemental Changes

The Supplemental Budget reduces funding to meet the projected funding shortfalls. Funding is eliminated for the Yelm freight capital project, which is not expected to advance this biennium.

2001-03 Funding

2001 Enacted Budget	21.9
2002 Supplemental Changes	(0.5)
Total Available Funding	21.4
Expenditures thru March 2002	(2.1)
Remaining Available Funding	19.3

Other Legislative Instructions

The budget bill includes a \$2 million proviso for the Grays Harbor loop project.

Program Status and Objectives

The largest purposes of unspent rail capital funds are the grade separation projects that will shortly go into construction (\$6 million) and the federal funds expected to be used for the King Street Station project (about \$9 million). The King Street Station project has been delayed to allow a new review of the long term plans for the station rail capacity. Necessary project restructuring makes the use of this money in the 2001-03 biennium uncertain at this time.

WASHINGTON STATE FERRIES CONSTRUCTION

2001 Enacted Budget

The capital construction program for the ferry system builds new boats and terminals and performs capital account repairs or rehabilitation of the current boats and terminals to extend their asset lives. It contains three major activity categories: terminals, vessels, and emergency repairs. WSF's infrastructure includes 29 vessels, 20 terminals and the Eagle Harbor Maintenance Facility. Repairs to existing system assets will be done at Clinton, Anacortes, Southworth, Bainbridge Island, Eagle Harbor, Fauntleroy, Seattle, and Kingston terminals and vessel preservation will continue for the fleet. A new passenger-only ferry will be purchased if two older ferries are sold.

51.2% State

26.7% State Bond

22.1% Federal

2002 Supplemental Changes

The Supplemental Budget reduces funding to meet the projected funding shortfalls. The ferry system will defer activities on the MV Elwha, the Issaquah class vessels, and the Port Townsend terminal.

2001-03 Funding

2001 Enacted Budget	187.4
2002 Supplemental Changes	(10.0)
Total Available Funding	177.4
Expenditures thru March 2002	(45.1)
Remaining Available Funding	132.3

Other Legislative Instructions

Proceeds from selling the MV Kalama and MV Skagit passenger ferries are assumed to offset the purchase or lease-purchase of one passenger ferry.

The department shall provide staff support to a legislative oversight committee that will produce a study of the Eagle Harbor maintenance facility by December 10, 2002.

Program Status and Objective

Terminal construction projects and vessel propulsion project are slightly behind the original schedule but are still estimated to be completed within the designated timeline.

An objective includes implementing and funding additional safety requirements resulting from the September 11 terrorist attacks. Another objective is to acquire an additional passenger only ferry in a market where the demand to buy ferries has increased as a result of needs in the New York area.

TRANSPORTATION ECONOMIC PARTNERSHIPS

2001 Enacted Budget

All technical and project related efforts to implement the state's public private initiatives are included in the program.

100% State

2002 Supplemental Changes

The Supplemental Budget did not change the funding level.

2001-03 Funding

2001 Enacted Budget	1.4
Total Available Funding	1.4
Expenditures thru March 2002	(0.2)
Remaining Available Funding	1.2

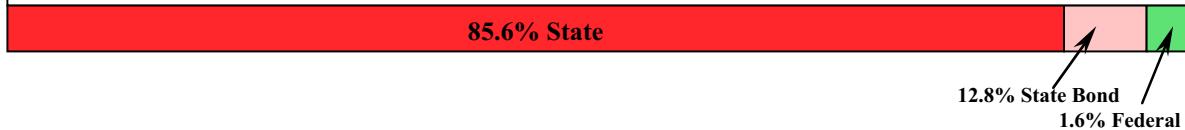
Program Status and Objectives

No future private-public endeavors have been committed.

HIGHWAYS AND LOCAL PROGRAMS

2001 Enacted Budget

Highways and Local Programs distributes federal funds for over 1,500 local agency enhancement projects and road and street construction projects. In addition, Local Programs includes state funding for local agency grant programs. Projects include city fish passage projects, school safety projects, Columbia River dredging, and various congestion relief projects.



2002 Supplemental Changes

The Supplemental Budget transfer funding for Traffic Safety Near School projects on the state highway system to the Improvement Program. Also, funding is adjusted to compensate for the higher than expected expenditures in the previous biennium.

2001-03 Funding

2001 Enacted Budget	93.9
2002 Supplemental Changes	(0.3)
2002 Capital Budget (Omnibus)	17.7
Fiduciary Fund/Oil Rebate Funds	257.3
Total Available Funding	368.6
Expenditures thru March 2002	(133.9)
Remaining Available Funding	234.7

Other Legislative Instructions

Other legislative requirements and/or provisos included in the original and supplemental budget and in the state's capital budget are as follows:

- Columbia River Dredging – Funds first and second phases the dredging project in coordination with the State of Oregon.
- Grant Programs/Projects – Funds grants for small city pavement preservation and traffic and pedestrian safety improvements near schools
- Transfer ability - Allows state and federal fund transfers between programs Z and I and P to manage projects more efficiently, with a requirement to report on any activity by December 1, 2002.

Program Status and Objectives

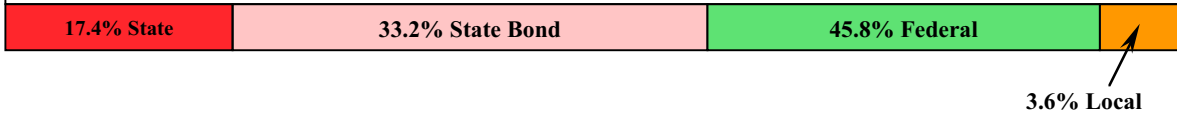
Grants have been awarded to local governments ahead of schedule and construction projects are underway.

The 2002 Supplement Budget did not provide matching funds for the Local Agency Special Bridge Inspection Program, and the department will need to reallocate and reprioritize existing resources to fund this match requirement.

HIGHWAY IMPROVEMENTS

2001 Enacted Budget

Highway Improvements provides funding for projects that increase a highway's capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and reduce environmental impacts resulting from highway construction projects.



2002 Supplemental Changes

Approximately \$800 million was added for the Tacoma Narrows Bridge project and funding for other projects was reduced approximately \$59.6 (\$13.9 for reappropriation adjustments and \$45.7 million for projects currently being identified). The proviso requiring a specific amount of funds be spent on the construction phase was deleted.

2001-03 Funding

2001 Enacted Budget	846.9
2002 Supplemental Changes	(59.6)
Tacoma Narrows Bridge	798.6
Unanticipated Receipt	13.0
Fiduciary Fund/Oil Rebate Funds	114.2
Total Available Funding	1,713.1
Expenditures thru March 2002	(350.1)
Remaining Available Funding	1,363.0

Other Legislative Instructions

\$4.88 million is specified for freight mobility projects. Additional requirements are included in the Governor's Efficiency and Reform Bill.

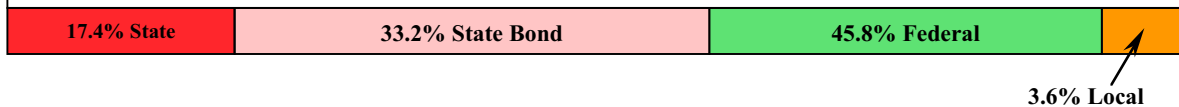
Program Status and Objectives

The biggest challenge to the Highways Improvement Program is funding the recommended changes listed on the following pages, while managing public expectations and commitments made.

HIGHWAY PRESERVATION

2001 Enacted Budget

Highway Preservation funding is provided to preserve the structural integrity of the state highway system. Projects for capital investment in the existing highway system include roadway pavements, bridges, and other structures and facilities.



2002 Supplemental Changes

Federal emergency funds and reappropriation adjustments requested by the department were included. The proviso requiring a specific amount of funds be spent on the construction phase was deleted.

2001-03 Funding

2001 Enacted Budget	578.2
2002 Supplemental Changes	(20.5)
Unanticipated Receipt	1.5
Total Available Funding	559.2
Expenditures thru March 2002	(173.6)
Remaining Available Funding	385.6

Other Legislative Instructions

The Supplemental Budget allows the department to spend \$3 million on the incident response program and an unspecified amount on the Alaskan Way Viaduct project; spending on other project are to be adjusted to accommodate these expenditures. Additional requirements are included in the Governor's Efficiency and Reform Bill.

Program Status and Objectives

The biggest challenge to the Highways Preservation Program is funding the incident response program, the Alaskan Way Viaduct, and SR 520 Translake, while also managing public expectations and commitments made. Please see the following pages for details on recommended changes to the Preservation Program.

**Transportation Commission April 12
WSDOT Proposed “I” and “P” Program Budget Reductions**

What are we doing to the Preservation Program Budget?

Additional funding is being programmed for three projects in the preservation program, and several other projects are being deferred or reduced to balance the program.

Why Do We Need to Reduce the Improvements Program Budget?

The 2001 Legislature appropriated a Highway Construction budget for WSDOT. We built a program anticipating this amount, and published a Capital Improvement and Preservation Program showing projects that would be underway using this money. However, \$70 million was not transferred into the Multimodal Fund as anticipated.

The following events have occurred to get us to the amount that we are now short:

The 2002 supplemental budget reduced the deficit to \$45.7 million, which is the basis for the current reduction effort.	\$45.7M
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On top of that shortfall, the department anticipates that \$26M in cost increases will occur on projects already under construction.	\$26.0M
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Finally, WSDOT’s Improvement Projects are “overprogrammed” by \$4.6M. This overprogramming is very much like overbooking of airline flights – we know that in the normal course of delivering a biennial program, there will be some unforeseen events that limit our ability to deliver each and every project as planned. In order to compensate for that, so that we can expend the funds appropriated, we get ready to deliver additional projects. However, at this point in the biennium, with very little money left for new starts, we feel we must reduce that overprogramming.	\$4.6M
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Total Required Program Reduction	<hr/> \$76.3M
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What considerations did we use in developing the list of reductions?

- Attempt to fund current law portions of the 80 projects named in ESSB 6347
- Fund needed increases on Alaskan Way (\$15 million), Translake (\$2 million).
- Fund incident response (\$3 million)
- Preserve capacity to facilitate delivery of new law
- Consider equity between WSDOT regions

A
Changing Programmed Spending to Meet Project Need
Highways Preservation Program, April 5, 2002

Amount Programmed for Expenditure	\$20.0	
Amount Available for Expenditure	-\$20.0	
Net Program Change	\$0.0	

	Current Expenditure Plan	Proposed Revisions	Revised Expenditure Plan
<i>Project-Specific Proposed Additional Expenditures*</i>			
Alaskan Way Viaduct	2.9	15.0	17.9
SR 520 Translake	0.0	2.0	2.0
Incident Response	0.0	3.0	3.0
Subtotal	\$2.9	\$20.0	\$22.9
<i>Proposed Reductions to Meet Need Above (projects in program not reduced are not shown)</i>			
Roadway PE & RW	6.6		6.6
Roadway Construction	109.4	-8.8	100.6
Structures PE and RW	3.6		3.6
Structures Construction	48.6	-6.9	41.7
Other Facilities PE and RW	5.0		5.0
Other Facilities Construction	37.8	-4.3	33.5
Subtotal	\$211.0	-\$20.0	\$191.0
Total	\$213.9	\$0.0	\$213.9

*The 2002 Legislative Supplemental Budget expressly authorized the Transportation Commission to establish appropriate levels of additional funding for Alaskan Way Viaduct and Incident Response within the Preservation program. Staff has recommended that the Commission should authorize an additional \$2 million for the Translake project, using it's normal programming responsibility.

B
Preservation Program
Proposed Current Law Projects to Be Deferred or Reduced
(Dollars in thousands)

SR	01-03 Current Start	01-03 Revised Start	01-03 Current Plan	Amount Reduced		New 01-03 Biennium Plan
				State		
Roadway Construction						
5	I-5/James St Vic to Union St Vic	12/02	03-05 Budget Decision	203	203	
5	I-5/Union St to NE 103Rd Vic	12/02	03-05 Budget Decision	66	66	
169	SR 169/Newaukum Creek Dr to 264th Ave SE	10/02	03-05 Budget Decision	114	114	
529	SR 529/Snohomish River Bridge to SR 528	3/03	03-05 Budget Decision	255	255	
	Unprogramed Funds			6,170	6,170	
	Updated Spending Plan			1,971	1,971	
Subtotal, Roadway Construction Projects				\$8,779	\$8,779	
Structures Construction						
99	SR 99/George Washington Bridge - Seismic	5/02	03-05 Budget Decision	3,489	3,489	
542	SR 542/Boulder Cr Bridge - Replacement	8/02	03-05 Budget Decision	811	732	79
12	Heron Street Bridge - Seismic	9/02	03-05 Budget Decision	812	700	112
	Unprogrammed Funds			2,000	2,000	
Subtotal, Structures Construction				\$7,112	\$6,921	\$191
Other Facilities Construction						
12	US 12/ 8 Miles West of Yakima County Line	5/02	03-05 Budget Decision	1,145	1,145	
	Portable Weigh Stations			900	800	100
	Weigh Station Minor Capital			200	200	
	Unprogrammed Funds			2,154	2,154	
Subtotal, Other Facilities Construction				\$4,399	\$4,299	\$100
Total Reductions to Preservation Program				\$20,290	\$19,999	\$291

C

**Matching Programmed Spending to Reduced Level of 2001-2003 Appropriations
Highways Improvement Program, April 5, 2002**

Amount Programmed for Expenditure*	\$281.6
Amount Available for Expenditure**	\$205.3
Required Program Reduction	\$76.3

	Pre-Session Expenditure Plan	Proposed Revisions	Revised Expenditure Plan
<i>Current Budget Stages of Projects Specified for Additional Referendum 51 Revenues (projects in program not reduced are not shown)</i>			
Major Projects, PE & RW Phase	41.5	-2.0	39.5
Mobility and Economic Initiatives Projects, PE & RW Phase	31.2	-11.6	19.6
Mobility and Economic Initiatives Projects, Const. Phase	20.7	-18.6	2.1
HOV Projects, PE & RW Phase	26.4	-1.5	24.9
Safety Projects, PE & RW Phase	3.0	-1.4	1.6
Safety Projects, Construction Phase			
Subtotal	\$122.8	-\$35.1	\$87.7

Current Budget Stages of Other Projects(projects in
program not reduced are not shown)***

Mobility, PE & RW Phase	42.8	-8.5	34.3
Mobility, Construction Phase	17.8	-12.1	5.7
Safety, PE & RW Phase	40.1	-6.6	33.5
Safety, Construction Phase	24.8	-5.3	19.5
Other Improvements Projects, PE & RW Phase	26.7	-2.7	24
Other Improvements Projects, Construction Phase	6.6	-6	0.6
Subtotal	\$158.8	-\$41.2	\$117.6
Total	\$281.6	-\$76.3	\$205.3

*The amount shown represents the Department's current spending plan, based upon appropriations and project lists from the 2001 Legislature.

** The amount shown represents the remaining appropriation that has not been spent or committed to construction contracts. It is based on 01-03 actual expenditures thru Feb 2002 and remaining planned expenditures thru June 2003 on construction contracts. This amount also assumes WSDOT will gain approval of unanticipated receipts totaling \$12.1M.

*** These projects are programmed to be designed and/or built based upon appropriations of the 2001 legislature, but are not related to the projects specified in ESSB 6347, the 2002 Legislature's New Revenue bill.

RECOMMENDATION:

The Transportation Commission is recommended to review and discuss the revised 2002 Supplemental Budget as well as approve the revised Highway Construction spending plan.

For further information, contact: Bill Ford, Budget Chief, 705-7500 or Rick Smith, 705-7150.